

Message Text

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C O N F I D E N T I A L STATE 205657

FOR EA ONLY, MANILA POUCH CEBU

E.O. 12065: GDS 8/7/85 (TEARE, RICHARD W.)

TAGS:SOPN, ELAB, PINT, EGEN, ASIG, RP

SUBJECT: WEEKLY STATUS REPORT - PHILIPPINES

TO : EA - MR. HOLBROOKE

FROM: EA/PHL - RICHARD W. TEARE

1. (C) VISA PROBLEMS ANEW FOR BERNIE WIDEMAN

BERNARD WIDEMAN, FORMER WASHINGTON POST STRINGER IN
MANILA, HAS REQUESTED OUR ASSISTANCE IN OBTAINING A
VISA TO RETURN TO THE PHILIPPINES AT AN INDEFINITE
FUTURE DATE. THE PHILIPPINE EMBASSY REPORTEDLY TOLD
WIDEMAN YESTERDAY THAT THE IMMIGRATION COMMISSIONER
ISSUED AN ORDER JUNE 22 PROHIBITING HIS RETURN.
WIDEMAN IS GENERALLY RESPECTED AS ONE OF THE BEST-
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INFORMED JOURNALISTS ON THE PHILIPPINES, AND THE GOP
THREATENED TO DEPORT HIM IN FEBRUARY 1977 BECAUSE OF
"ANTI-GOVERNMENT ARTICLES" HE WROTE FOR THE FAR EASTERN
ECONOMIC REVIEW. YOU WILL RECALL THAT THE EMBASSY AND
THE DEPARTMENT INTERCEDED ON WIDEMAN'S BEHALF AT THAT
TIME, AND, FOLLOWING DEPORTATION HEARINGS, THE GOP
AGREED TO RENEW HIS VISA. WIDEMAN LEFT MANILA IN EARLY

JUNE TO FIND A NEW JOB BASED IN THE U.S. HOWEVER, HE WANTS A RE-ENTRY VISA AS INSURANCE IN CASE HE IS ABLE TO SELL SOME STORY-IDEAS ON THE PHILIPPINES. WE WILL BE IN TOUCH WITH EMBASSY MANILA TO DETERMINE WHAT MIGHT BE DONE ON WIDEMAN'S BEHALF AND ON THE TIMING OF ANY SUCH EFFORTS IN RELATION TO WIDEMAN'S RATHER VAGUE PLANS.

2. (C) OFFSHORE LABOR AGREEMENT AND WAKE ISLAND CONTRACT

BOB STERN, BOB PFEIFER AND A BEVY OF LAWYERS HERE AND AT AIR FORCE HEADQUARTERS ARE INVOLVED IN COMPLICATED DEALINGS OVER A DOLS 2.5 MILLION CONTRACT FOR FILIPINO MAINTENANCE WORKERS ON WAKE ISLAND. KENTRON, AN LTV SUBSIDIARY, HAS HAD THE CONTRACT FOR SEVERAL YEARS, BUT FEDERAL ELECTRIC (AN ITT SUBSIDIARY) WAS THE SUCCESSFUL BIDDER THIS TIME AROUND. THE PROBLEM IS THAT THE GOP MINISTRY OF LABOR, WHOSE SOLE FUNCTION IS TO DETERMINE WHETHER THE LABOR PROVISIONS OF THE WINNING BIDDER'S CONTRACT ARE IN ACCORD WITH OUR 1968 OFFSHORE LABOR AGREEMENT, HAS BEEN ACTING ULTRA VIRES BY LOOKING INTO THE QUESTION OF HOW MANY FILIPINOS WOULD BE EMPLOYED UNDER EACH BID AND GENERALLY ACTING AS IF IT -- RATHER THAN THE USG -- HAD AUTHORITY TO AWARD THE CONTRACT. WE HOPE THAT INSTRUCTIONS SENT TO MANILA TODAY WILL RESULT IN A CHANGE OF POSITION BY THE MINISTRY OF LABOR. CONFIDENTIAL

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FEDERAL ELECTRIC IS LIKELY TO SUE THE USG IF IT IS UNABLE TO OBTAIN MINISTRY OF LABOR CERTIFICATION, AND KENTRON WILL PROBABLY SUE THE USG OUT OF A MISTAKEN BELIEF THAT WE ARE SOMEHOW FAVORING FEDERAL ELECTRIC. THERE IS ALREADY BAD BLOOD BETWEEN THE TWO COMPANIES BECAUSE THE PRESIDENT OF FEDERAL ELECTRIC DECAMPED TO KENTRON AND REPORTEDLY RAIDED ITS EXECUTIVE SUITE; FEDERAL ELECTRIC THEREFORE PARTICULARLY RELISHES ITS SUCCESS IN WINNING THE WAKE ISLAND CONTRACT AWAY FROM KENTRON. THERE IS ALSO CONGRESSIONAL INTEREST, FROM SENATOR HAYAKAWA ON BEHALF OF KENTRON. THERE IS NO DOUBT AS TO THE LEGALITY AND CORRECTNESS OF THE STATE/AIR FORCE POSITION, BUT WE MUST EXPECT CONTINUING FLAK FROM KENTRON, AND THE BILATERAL PROBLEM CREATED BY THE MINISTRY OF LABOR'S ARROGATION OF AUTHORITY IS UNFORTUNATE.

3. (C) BONG-BONG MARCOS TO STUDY IN U.S.

SECURITY INFORMED US TODAY THAT FERDINAND R. (BONG-BONG) MARCOS, II, THE PRESIDENT'S SON, WILL ARRIVE IN PHILADELPHIA ABOUT AUGUST 10 TO BEGIN A TWO-YEAR COURSE

OF STUDY AT THE WHARTON SCHOOL OF BUSINESS. (WE HAD BEEN AWARE OF THESE PLANS FOR SOME TIME.) SY SAYS HE WILL RESIDE IN THE SUBURB OF CHERRY HILL, NEW JERSEY,

WITH APPROPRIATE BODYGUARDS. EARLIER, BONG BONG HAD BEEN ACCREDITED BY THE PHILIPPINE U.N. MISSION AS ITS "MILITARY ADVISOR" WITH THE RANK OF ATTACHE, WITH AN ASSISTANT WHO ALSO CARRIES THE RANK OF ATTACHE. THE NOMINAL U.N. ASSIGNMENT IS PRESUMABLY INTENDED TO GIVE BONG BONG DIPLOMATIC IMMUNITY WHILE HE IS IN THIS COUNTRY.

4. (C) ANOTHER BANK TROUBLED BY ECONOMIC PROSPECTS

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BOB STERN AND I MET LAST WEEK WITH TWO EXECUTIVES OF MANUFACTURERS HANOVER TRUST COMPANY, ONE OF WHOM WAS RESIDENT REPRESENTATIVE IN MANILA FOR FIVE YEARS AND THE OTHER A RECENT VISITOR TO THE PHILIPPINES. THEIR ASSESSMENT OF PHILIPPINE PROSPECTS WAS GENERALLY DOWNBEAT; THEY CITED, AMONG OTHER THINGS, COMPLAINTS BY SOME OF THEIR BEST FILIPINO CLIENTS THAT THE INTEREST RATES AND OTHER CURRENT FACTORS IN THE ECONOMY HAVE REDUCED PROFITS TO MINIMAL LEVELS. THEY ALSO STATED THAT CORRUPTION APPEARS TO BE AT AN ALL-TIME HIGH. THE STORY IS MUCH THE SAME AS THAT WHICH WE'VE HEARD RECENTLY FROM OTHER COMMERCIAL BANKERS AND FROM MEMBERS OF THE WORLD BANK MISSION.

5. (U) INSPECTION OF THE PHILIPPINES

S/IG HAS INFORMED US THAT THE INSPECTION OF THE CONDUCT OF RELATIONS WITH THE PHILIPPINES WIL BEGIN IN EA/PHL ON SEPTEMBER 4, WHICH IS ALSO FRAZIER MEADE'S REPORTING DATE. THE INSPECTORS INTEND TO SPEND ABOUT THREE WEEKS ON THE INITIAL WASHINGTON PORTION AND THEN TRAVEL TO MANILA DN CEBU LATE IN THE MONTH.

6. (U) PLEASE NOTE FOR EA ONLY CAPTION.

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